



# Legislative Session Wrap-up

## A report to the 46<sup>th</sup> Legislative District

*Rep. Phyllis Gutierrez Kenney*

Dear Neighbors,

Thank you for your support and for letting me know about the issues that matter to you. I appreciate all the e-mails, letters, phone calls and messages left through the legislative hotline.

As you know, the Legislature was faced with a challenging session. We had 60 days to deal with a \$1.6 billion dollar deficit and address the transportation mess that has been plaguing the Puget Sound area for years.

In addition to balancing our budget and addressing the transportation woes, we were able to:

- Expand workforce training for unemployed workers;
- Reform drug sentencing laws;
- Provide scholarships for low and middle income families;
- Increase sex offender regulation;
- Outlaw the trafficking of women;
- Assure safer schools for our children;
- And increase consumer protection.

Although I am not completely satisfied with how everything turned out, I believe that given the revenue shortage and the increased need for services, we managed to fund the programs that are critical to the welfare of our community and to develop a transportation plan that, with the approval of the voters, will get Washington moving again.

However our work has just begun. During the interim I will be speaking with groups and many of you individually to seek ways to deal with prescription drug costs, affordable housing, access to health care, and maintaining access to quality education at all levels.

Again, thank you for your support and for sharing your views with me. I look forward to visiting with you and working together to keep our state a great place to live.

Sincerely,

Representative Phyllis Gutierrez Kenney



## Representative Phyllis Gutierrez Kenney

### Committees:

Higher Education - *Chair*  
Appropriations  
Commerce and Labor  
Joint Legislative Economic  
Development Committee

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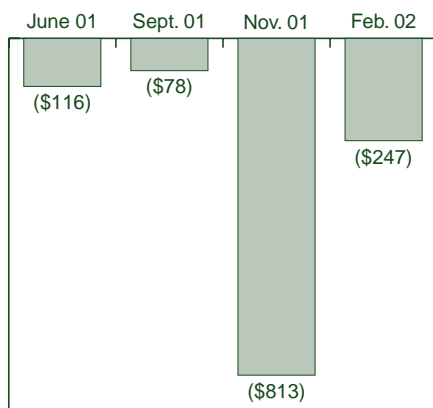
# Rep. Phyllis Gutierrez Kenney

## The Challenging Budget

**September 11 had a huge impact on our economy and state revenues.**

When we wrote the state budget late last spring we thought everything that *could* happen *had* happened - a sliding economy, Boeing headquarters move, drought, energy crisis, and an earthquake of 6.8 magnitude. But then came the tragic events of September 11<sup>th</sup> and state revenues plummeted.

### Revenue Revisions Since January 2001 (in Millions of dollars)



Washington's economy was especially hard hit - much more than other states, because of our reliance on the aerospace and travel industries. Add the higher price tag of increasing public school enrollments and rising health care costs for the poor, and we were suddenly facing a revenue shortfall of over \$1.6 billion.

We tightened our belts and balanced the budget without raising taxes.

To fill the budget gap without raising taxes during a recession, we made a \$700 million cut in services, eliminated more than 900 state jobs, reduced state

employee benefits, and painstakingly re-apportioned what was left to protect education and other vital programs. We also eliminated tax loopholes and dipped into reserves that were set-aside for exactly this kind of "rainy day."

Finally, after much debate, we used some of the state's tobacco settlement money to raise \$450 million and avoid devastating cuts in health care cuts and education. Although many other services still fell victim to the budget ax, without the tobacco money the cuts could have been much, much worse.

**We managed to protect vital services and keep our education promises.**

Though very difficult budget choices had to be made, we protected the issues you told me you value most:

- Parent Trust for Washington Children
- Medical interpreters

### Setting record straight on the tobacco dollars

Had we not used some of the state's tobacco settlement money to cushion the blow, human service cuts would have been devastating.

This was a difficult decision. Did I want to do it? No. Did I want to cut another \$450 million in programs? No. Did I want to raise taxes in a recession? No.

However, after studying the idea more closely, the return will be .90 cents on the dollar, not .25 cents as was originally thought.

The decision was to tap into and use only 20% of our future tobacco settlement revenues.

That leaves over \$2 billion in reserve to continue our commitment to health care well into the future.

- Family policy council and community networks
- Education initiatives
- Long-term care workers
- WA state film office

## State Library

As you know, the Governor proposed eliminating the State Library as one of many unpopular but necessary trims to the budget. However, the Library Board made a recommendation to transfer their functions to the office of the Secretary of State and achieve significant savings with a more efficient, merged structure. The Board even recommended abolishing themselves – a practically unheard of event! We took their recommendation with gratitude.

So, the collections and other functions of the State Library will continue.

## Getting a handle on prescription drug costs

Drug prices are the fastest growing component of our soaring health care costs. We considered legislation that would have authorized the use of a "preferred drug" list for state insurers to choose from. Private health insurers use this approach – comparing drugs for equal effectiveness and then picking the more cost effective, ie, the least expensive.

Doctors, pharmacists and the AARP gave strong support to this cost saving effort. Unfortunately the pharmaceutical and biotech industries worked vigorously against the legislation. It was approved by the Senate but died in the House, so we lost this critical attempt to slow our rising health care costs. We will try again next year.

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### A strained higher education system



**Rep. Kenney and former Governors Dan Evans and Booth Gardner.**

As chair of the House Higher Education committee, I know all too well that Washington's higher education institutions are already over-enrolled, a consequence of the state and national economy.

Unfortunately, the economic realities of the operating budget meant reductions in state support for higher education this year, and, as a result, tuition will very likely be increased. But we did manage to make some gains, too:

- I sponsored a bill that will assure Promise Scholarships will continue to be awarded to deserving middle and lower income students.
- State Need Grant funding is increased to support tuition increases.
- In response to increased layoffs, 1,320 full-time equivalent enrollments are added for worker re-training programs.

I was honored this session to have former Governors Booth Gardner and Dan Evans participate in a round table discussion sponsored by the House Higher Education Committee. The discussions centered on creative ideas for funding higher education. As we continue our commitment to providing high quality education, we must ensure adequate funding for the growing needs of our colleges and universities. Tuition has been increasing rapidly in the past ten years and we cannot continue to put the

burden of operating our public institutions on the backs of students and their families. We need a tuition and financial aid policy in this state to assist students and their families in planning for their educational future. I will be working with stakeholders on funding for higher education and policy issues.

### Meeting our "paramount duty"

The Washington State Constitution declares that providing basic education for all our children is the paramount duty of the Legislature. Education is also a high priority of mine. **In spite of the troubling budget situation, K-12 education is one of the few areas of the budget that will actually see an increase over last year.**

Additionally, we continued the education reforms started several years ago, and:

- Fully funded Initiative 728 (\$391.1 million)
- Fully funded Initiative 732 (329.9 million)
- Added \$108.2 million for increased enrollment and levy equalization
- Passed the Safe Schools Bill, which will help teachers and administrators recognize — and stop — the harassment, intimidation, and bullying that torments so many of our students.

### Scholarships for foster kids

This spring, Governor Locke announced a new educational opportunity for Washington students in foster care called the Governor's Scholarship Program. Available exclusively to talented young people who live in foster, kinship, or group care, these scholarships will provide financial assistance many students need to attend college.

Scholarship applications are now available for high school seniors who will graduate this year and plan to enter college in the fall. Students interested in the program may contact the Washington Education Foundation at 1-877-655-4097, or visit their web site at [www.waedfoundation.org](http://www.waedfoundation.org) and clicking on "Governor's Scholarship Program." Information is also available by writing to the Washington Education Foundation:

1605 NW Sammamish Road, Suite 100  
Issaquah, WA 98027-5378



# Rep. Phyllis Gutierrez Kenney

## Breaking the transportation gridlock

The House and Senate approved major legislation that will begin to meet Washington's transportation needs. There are two major components - a statewide proposal and a regional proposal.

### Statewide Proposal

The statewide package goes to the voters in November and, if approved, provides funding for major transportation projects around the state.

Mobility for business, our ports, commuting workers and families in our area will be improved by investments in:

- Alaskan Way Viaduct
- Transit and park-and-ride lots
- HOV lanes on the SR 520 bridge
- Improved access to the Port of Seattle
- Extending SR 509 further south past SeaTac



- Passenger rail improvements including King St. Station and more runs

\$1.2 billion is earmarked for transportation choices. Although I would have like to have seen even more, this figure represents a big improvement in funding.

This 10-year plan depends on new revenues:

- 5 cent per gallon gas tax increase the first year, then 4 cents the second
- Increased truck fees.
- 1% tax on vehicle sales.

These taxes begin to replace the transportation revenues repealed when voters approved I-695 two years ago.

I was prepared to vote to pass this package on the floor of the House, because I believe your Representatives are elected to make these sorts of hard decisions. However, there were not enough votes to pass it there so to keep the process moving, I agreed to let the voters have the final say.

### Regional Proposal

The Legislature recognized that the Puget Sound region is the most gridlocked area in the state, and the most in need of major investments in mobility projects - highways, overpasses, transit and more. A precedent-setting separate regional plan gives authority to King, Snohomish and Pierce Counties to develop additional regional projects and to put this package to their voters for funding approval.

The three counties may join together or King may partner with one of the others. Projects would include the Viaduct, state highways, key local roads, public transit improvements and rail improvements.